

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** March 25, 2008  
**POSITION:** Oppose  
**SPONSOR:** Service Employees International Union;  
California United Domestic Workers

**BILL NUMBER:** SB 1599  
**AUTHOR:** P. Wiggins  
**RELATED BILLS:** AB 477 (2005);  
SB 1435 (2006)

### **BILL SUMMARY:** In-Home Supportive Services: Project for Independence

This bill would require the Department of Social Services (DSS) to establish the Project for California Independence (Project), which would authorize specified individuals who are 65 years old or older and who are ineligible to receive In-Home Supportive Services (IHSS) to purchase those services from counties that volunteer to participate in the Project. This bill also would allow the DSS to recoup the full state cost of developing, implementing, and administering the Project through user fees, and to contract with a private business to administer the Project.

### **FISCAL SUMMARY**

While the bill provides that it would be implemented only if funding is appropriated in the Budget Act, it would create a pressure to fund the program. This bill would result in indeterminate but significant General Fund cost to the DSS. Further, it is unclear that there would be sufficient purchase of services through the Project for DSS to recoup the costs of the Project through user fees and it is unclear whether the Project would qualify for federal financial participation. The bill would require that all county costs pertaining to the Project

In addition, this bill is likely to result in increased General Fund costs for the Department of Health Care Services (DHCS). The DHCS is responsible for Title XIX funded programs (the IHSS federal share is Title XIX funds) and contracts with the DSS to administer the IHSS program. The DHCS would be required to submit the federal waiver application in an attempt to gain federal financial participation for the Project.

### **COMMENTS**

The Department of Finance opposes this bill for the following reasons:

- This bill would create a pressure to provide funding from the General Fund.
- The bill may exacerbate the difficulty current IHSS recipients have in locating, hiring, and retaining quality service providers.
- This bill is unnecessary as consumers can hire in-home caregivers without any law change.

**Under current law** the IHSS program provides in home assistance to aged, blind, and disabled individuals who are on public assistance or have low-income to allow them to remain safely in their own homes and avoid institutionalization.

**This bill would** allow aged, blind, and disabled individuals who are not low-income or on public assistance to purchase surplus IHSS from counties who elect to participate in the Project. The DSS would be required to develop eligibility guidelines for the program. The bill would require the Project to be conducted in any county consenting to participate in the program.

Analyst/Principal (0532) W. Padilla	Date	Program Budget Manager Michael Wilkening	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

P. Wiggins

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SB 1599

In addition, this bill would require any appropriation related to this project to fully fund all county and DSS costs incurred in the initial implementation of the Project. This bill provides for the DSS to recoup the cost of Project establishment and administration from users; however the bill provides no guarantees that the Project will realize enough service use to recoup the costs. To the extent the fees do not cover program costs, it would create a pressure to provide General Fund support to the Project.

This bill would require the DSS to seek and secure maximum federal financial participation, and if necessary, apply for a federal waiver. Since the federally funded portion of the IHSS program is a DSS reimbursement of Title XIX funds from the DHCS, which contracts with the DSS to administer the IHSS program, this bill would impact the DHCS. The DHCS would need to apply for any waivers and potentially provide additional administrative support related to the Project. To the extent federal financial participation is not provided, it would increase the pressure to provide General Fund funding for the Project.

This bill is similar to two 2005-06 bills vetoed by the Governor (SB 1435 and AB 477). The veto messages stated the bills would exacerbate the difficulty current IHSS recipients have in locating, hiring, and retaining quality service providers.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
5180/Social Svcs	SO	No	-----	See Fiscal Summary				-----	0001
4260/Hlth Care	SO	No	-----	See Fiscal Summary				-----	0001
5180/Social Svcs	LA	No	-----	See Fiscal Summary				-----	0001